

Approved as Submitted: June 5, 2002

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY
AND SPECIAL CITY COUNCIL MEETING
MINUTES MAY 22, 2002**

Redevelopment Agency and City Council Action

CALL TO ORDER

Agency Member/Mayor Pro Tem Carr called the meeting to order at 6:38 p.m.

ROLL CALL ATTENDANCE

Present: Agency/Council Members Carr, Tate, Sellers
Absent: Chairperson/Mayor Kennedy; Vice-Chair/Council Member Chang

DECLARATION OF POSTING OF AGENDA

Deputy City Clerk Corbet certified the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

CLOSED SESSIONS:

Agency Council/City Attorney Leichter announced the following closed session items.

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 2

2.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner, special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill

Case Numbers: Ninth Circuit Court of Appeal No. 02-15693

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority:	Government Code section 54956.9(a)
Case Name:	Hacienda Valley Mobile Estates v. City of Morgan Hill et al.
Case Number:	Case No. C-01 20976 RMW, United States District Court, Northern District of California/Ninth Circuit Court of Appeals

OPPORTUNITY FOR PUBLIC COMMENT

Agency Member/Mayor Pro Tem Carr opened the closed session items to public comment. No comments being offered, the public comment was closed.

ADJOURN TO CLOSED SESSION

Agency Member/Mayor Pro Tem Carr adjourned the meeting to closed session at 6:39 p.m.

RECONVENE

Agency Member/Mayor Pro Tem Carr reconvened the meeting at 7:04 p.m.

CLOSED SESSION ANNOUNCEMENT

Agency Council/City Attorney Leichter announced that there was no reportable action taken in closed session.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Agency Member/Mayor Pro Tem Carr, Sunday Minnich, Executive Director of the Morgan Hill Chamber of Commerce, led the Pledge of Allegiance.

PRESENTATIONS

Status Update by Morgan Hill Downtown Association

Sylvia Cook, Morgan Hill Downtown Association Board member, stated this non-profit organization is reestablishing the main street program.. She introduced Dan Craig, serving as Consultant/Interim Executive Director. Mr. Craig stated in the coming weeks they will be incorporating the organization and look forward to entering into a partnership with the City.

PUBLIC COMMENT

Agency Member/Mayor Pro Tem Carr opened the floor to comments for items not appearing on this

evening's agenda. No comments were offered.

CONSENT CALENDAR:

Council Member Tate pulled Item #2 and Council Member Sellers pulled Item #3.

Redevelopment Agency Action

Action: *On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Redevelopment Agency, on a 3-0 vote (Kennedy and Chang absent) **approved** Item #1 as follows.*

1) APRIL 2002 FINANCE & INVESTMENT REPORT

Action: ***Accepted** and **Filed** Report.*

City Council Action

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent) **approved** Items #4 and #5 as follows:*

4) SECOND AMENDMENT TO AGREEMENT WITH THE LAW FIRM OF RUTAN AND TUCKER

Action: ***Authorized** the City Manager to Execute the Second Amendment to Agreement with the Law Firm of Rutan and Tucker; and **Appropriated** \$50,000 from the General Fund to the City Attorney's Budget.*

5) APPROVAL OF SPECIAL CITY COUNCIL MEETING MINUTES FOR MAY 13, 2002

Action: ***Approved** the minutes as written.*

Redevelopment Agency and City Council Action

Action: *On a motion by Agency/Council Member Tate and seconded by Agency/Council Member Sellers, the Redevelopment Agency/City Council on a 3-0 -2 vote (Kennedy and Chang absent) **approved** Item #6 as follows:*

6) ACQUISITION OF 382 CALLE ATAVIO, A BMR HOUSING UNIT

Action: *1) **Authorized** the Executive Director/City Manager to Negotiate, Prepare and Execute a Purchase Agreement with Richard and Maria Martinez, or their Designated Representative, in an Amount Not to Exceed \$245,000 for the Purchase, Repair and Resale of 382 Calle Atavio, a BMR Housing Unit, and 2) **Authorized** the Executive Director/City Manager to Do Everything Necessary to Sell the Unit to a BMR Buyer in Accordance with Program Guidelines.*

Redevelopment Agency Action

2) BUSINESS INCUBATOR FEASIBILITY STUDY

Sunday Minnich, Executive Director of the Morgan Hill Chamber of Commerce, stated they would like to pull this item, as they would like to further investigate it, and to include it in the attraction strategy and marketing plan, which will be presented to Council in June 2002.

City Council Action

3) APPROVAL OF AGREEMENT WITH UNION PACIFIC RAILROAD FOR AT-GRADE PEDESTRIAN CROSSING AT DOWNTOWN TRANSIT CENTER

Council Member Sellers stated the Union Pacific Railroad (UPRR) is a difficult bureaucracy to deal with, and it is important to recognize that staff has spent a lot of time and work over the past few years. He's pleased to see an agreement will be signed with UPRR very soon.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council on a 3-0-2 vote (Kennedy and Chang absent) authorized the City Manager to Execute an Agreement with Union Pacific Railroad.*

OTHER BUSINESS:

7) RESOLUTION OF INTENTION AND ADOPTION OF ORDINANCE APPROVING AMENDMENT TO CONTRACT WITH CALPERS

City Attorney Leichter presented the staff report. Ms. Leichter stated this is an outcome of the City's agreement with the Police Officers' Association, in which the City agreed to implement the 3% @ 50 retirement option. CalPERS has a detailed procedure to implement a contract amendment: 1) the City needs to adopt a Resolution of Intention to amend the contract, 2) provide an actuarial study to the public; and 3) City has to adopt an ordinance amending the contract with CalPERS.

The ordinance would be brought back for final reading in 20-days, and the contract amendment would be effective the 1st of July.

Agency Member/Mayor Pro Tem Carr opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), Adopted Resolution Approving Amendment to Contract with CalPERS.*

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), Authorized the Mayor to Execute the*

Amendment to Contract following Final Approval of the Ordinance.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Waived** the Reading in Full of Ordinance Authorizing an Amendment to the Contract.*

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Introduced** the Contract Amendment by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF MORGAN HILL AND THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO PROVIDE 3% AT 50 BENEFIT FOR LOCAL POLICE., by the following roll call vote: AYES: Carr, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: Chang, Kennedy.*

8) PROPOSITION 14 LIBRARY BOND ACT GRANT APPLICATION

Julie Spier, Recreation Manager, presented staff report. Proposition 14 is a statewide bond measure to sell \$350 million of state general obligation bonds for the purpose of public library construction and renovation. It is a competitive grant process and the City is one of many applications being submitted by June 14, 2002. The due date to have the Library Bond Act grant submitted to the State of California Office of Library construction is June 14, 2002. The County Library, the Morgan Hill Unified School District, Library Commission and Library Building Committee are targeting June 6th to have the grant completed, with the final milestone, JPA signing off with the Memorandum of Understanding, which the Council and school board approved last month. The intent is to deliver the application to Sacramento on Friday, June 7th. As part of the application process, a schematic design to be submitted.

Meredith Marshank, Noll & Tam, presented the prospective rendering of the entrance to the library. Council Member Sellers stated he's excited about the library bond act grant application.

Council Member Tate stated it's been an honor to be part of the application team.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Approved** Mitigated Negative Declaration.*

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Approved** Schematic Design of Proposed Morgan Hill Public Library.*

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Adopted** Resolution Authorizing City Staff to Submit Grant Application to The State of California Office of Library Construction, Allowing for the City Attorney to Revise the Resolution to Include Other Documents, Not*

Currently Attached to the Resolution, Which Are Necessary to Complete the Grant Application.

9) **ADJUSTMENTS TO DEVELOPMENT IMPACT FEES**

City Manager Tewes stated Items #9 and #10, contain very complex calculations for the capital improvement program (CIP), and recommendations are being introduced. A public workshop will be conducted on June 6th, 2002; with staff and consultants meeting with developers, land owners, and others interested in the development process. Staff is not asking Council to take action, but to set a public hearing for June 26, 2002.

Jack Dilles, Finance Director presented staff report. Since the development impact fees were last adjusted in 1995; traffic fees were adjusted in 1996, and because of the changes the community is going through, thought it very appropriate to study the adequacy of the fees. Maximus Consulting Group was hired as the consultant to study the fees, and they hired a sub-consultant, Hilton Famkopf & Hobson to handle the water and sewer impact fees. Mr. Dilles stated this is a discussion item and the Council is not being asked to take any action, but asking Council to set a public hearing for June 26, 2002.

Joe Colgan, Maximus Consulting Group, presented an overview of the impact fee study. (Power point presentation)

IMPACT FEES - *Background*

Definition

- o Per the Mitigation Fee Act (AB 1600)
 - Monetary Exaction other than a Tax or Assessment
 - Imposed as a Condition of Development Approval
 - Used for Development-Related Capital Facilities
- o Plain Language
 - Charges Imposed to Cover the Cost of Facilities Needed to Serve New Development
- o Impact Fees Also Known As:
 - Mitigation Fees
 - Capital Facilities Fees
 - Capacity Charges
 - Connection Fees

Constitutional Limits

- o Fifth Amendment "Taking" Clause
 - Limits Regulation of Private Property
- o Key U.S. Supreme Court Decisions
 - "Essential Nexus" mandated in the Nollan Case (1987)
 - "Rough Proportionality" mandated in Dolan Case (1994)

Elements of The Nexus

- o Development Must Create A Need For Facilities
 - Need Should be Supported by Comprehensive Plan, Facility Master Plans, and Level of Service Standards
- o Development Must Benefit from Use of the Fees
 - Facilities Must be Available to Serve Development
 - Earmarking and Timely Expenditure of Revenue
- o Fees Must Be Proportional To Impact
 - Reflected in Selection of Eligible Facilities and Costs
 - Reflected in Cost Allocation/Fee Calculation Method

The Mitigation Fee Act

- o Government Code 66000 et seq.
 - Mostly Procedural in Nature
 - Liberal as to Facility Types, Life of Capital Assets
- o Required Findings:
 - Identify Purpose of the Fee
 - Identify Use of the Fee (by CIP or Other Public Document)
 - Demonstrate Benefit, Need, Proportionality
- o Mandated Administrative Procedures for:
 - Collection, Expenditure, Accounting, Reporting
 - Statement of Fee Amount at Time of Imposition (AB 3081)

Impact Fee Analysis

- o Define Study Area/Time Frame
- o Project Future Development
- o Define Facility Needs and Costs
 - Amount and Type of Planned Development
 - Service Standard/Facility Needs/Facility Costs
- o Allocate Costs/Calculate Fees
 - Identify Measure of Impact for each Facility Type (e.g., added traffic, police calls, population)
 - Calculate cost per unit of service
 - Convert to fee per unit of development

Development Impact Fees

Purpose of Study

- o Document the Existence of a Nexus
- o Establish the Maximum Defensible Fee
- o Ensure That Adopted Fees Are Legal, Fair, and Appropriate

Scope of Study

- o Study Area/Time Frame
 - Study Area: Land within Urban Growth Boundary

- Time Frame: To Theoretical Buildout
- o Impact Fees
 - General Government Facilities (City Hall/Corp Yard)
 - Libraries
 - Street Improvements
 - Police and Fire Facilities/Equipment
 - Parks
 - Local. Drainage
 - Community/Recreation Centers (New Fee)
 - Open Space (New Fee)

Projected Growth

- o Population
 - 67% Increase to 59,000
 - Future Development = 40% of Buildout Total
- o Developed Acres
 - 78% Increase
 - Future Development = 44% of Buildout Total
- o Peak Hour Vehicle Trips
 - 46% Increase
 - Future Development = 33% of Buildout Total
- o Police Calls
 - 58% Increase
 - Future Development = 37% of Buildout Total

Impact Fee History

- o Existing Fees
 - Previous Impact Fee Study in 1991
 - Impact Fee Study Updated in 1994
 - Fees Adjusted Periodically Since Adoption
- o Plans Updated Since Previous Study
 - General Plan/Land Use Element
 - Circulation Element
 - Fire Master Plan
 - Drainage Master Plan
 - Water Master Plan
 - Sewer Master Plan
 - Community/Recreation Facilities

Study Highlights

- o Overall Change in Impact Fee Levels
 - Single Family Res. + 69% (54% w/o New Fees)
 - Multi-Family Res. +76% (60% w/o. New Fees)
 - Comm./Ind. - Most Major Fees + 50% (TIF + 90%)

- o Libraries
 - No Change Recommended Pending Prop 14 Grant
- o Fire Protection
 - Fees Reduced for Most Development
- o Parks
 - Proposed Increase Exceeding 100%

Greg Clumpner, Hilton Farnkopf & Hobson, LLC, presented an overview of the water and sewer connection fees.

WATER AND SEWER CONNECTION FEES

Fee Calculations

How Are Water and Sewer Impact Fees Calculated?

Cost of Growth-Related Facilities, divided by, Number of Growth-Related EDUs*

* EDU = Equivalent Dwelling Unit

Facility Needs and Costs

- o What Are Growth-Related Facilities?
 - They Create Additional Capacity for New Users
 - They Include Treatment Plants, Collection/Distribution Systems, Pump and Lift Stations
- o How Are Facility Costs Estimated?
 - City's 5-Year CIP
 - Water and Sewer Master Plan Updates
 - SCRWA 20-Year Update
- o Funding for Non-Growth-Related Improvements
 - User Service Charges

Growth-Related EDUs

How Are Growth-Related EDUs Determined?

19,200 EDUs (Buildout per General Plan)

11,940 EDUs (Current Customers)

7,260 EDUs (Growth-Related)

Study Highlights

- o Overall Change in Water Connection Fee Levels
 - Single Family Residential + 53%
 - Multi-Family Residential +53%
 - Commercial/Industrial +53%
- o Overall Change in Sewer Connection Fee Levels
 - Single Family Residential + 48%
 - Multi-Family Residential + 48%
 - Commercial/Industrial + 48%

Mayor Pro Tem Carr asked Joe Colgan why the report talked about a population of 59,000 and the build-out

of the general plan talks about population of 48,000. Mr. Colgan stated the figure was based on dwelling units, and that number came from the Planning department. The 59,000 is the complete build-out based on the zoning and 2020 general plan.

Council Member Tate stated there should be some allowable methodology where fees can be increased over time instead of one big jump.

Mr. Colgan agreed, stating Maximus' report recommends the fees be adjusted annually to keep pace with the cost of construction. It would be better if the Council adjust fees incrementally on an annual basis.

Council Member Sellers stated the most significant increase is in the parks fee and adding open space and community recreation centers. To some degree the two new fees are subsets of the parks fee. Why is there the parks fee and the additional fees.

Mr. Colgan stated since the previous impact fee study, the City is beginning to build the community and cultural center, the indoor recreation center and the sports and aquatic center. These are justifications for charging the fees if the Council chooses to do so. Staff suggested consider only El Toro Mountain when addressing open space.

Mayor Pro Tem Carr stated the chart compares Morgan Hill's current fees with proposed fees with Gilroy, San Jose, San Ramon, Fremont and Dublin. Why were these cities chosen?

Mr. Colgan stated he suggested Dublin as another city on the fringe of the bay area, which still is developing. Jack Dilles, Finance Director, stated he selected the cities because they were considered competitors in various ways.

City Manager Tewes stated the City of Gilroy is still reviewing their fees.

Mr. Colgan remarked that Gilroy's projection is for higher fees into the future.

Council Member Sellers, stated the cumulative Morgan Hill fees will not go higher than the City of Gilroy's.

Jack Dilles, stated the City of Gilroy's fees are volatile and could go up and down in any respective year.

Mayor Pro Tem Carr reiterated there will be a public workshop on June 26, 2002, and there will be plenty of time to give public comment. Tonight's meeting will be setting a public hearing for June 26, 2002 for consideration of adjustments to the development impact fees, and not taking any formal action.

Public comment.

Mr. Dick Oliver, was a member of the subcommittee, the Impact Fee Review Committee, which updated the impact fee study in 1995. It was a year long study and there was significant input from the development community. What is missing from the current report is any input from the development community prior

to writing the recommendations. Measure P was completely ignored in the creation of this recommendation to the Council; can't do fee increases without looking at Measure P.

Carolyn Hipp, developer in Morgan Hill, stated her concern with the prices of homes in Morgan Hill. It's very difficult to provide housing under \$450,000 to \$500,000; the increased fees adds to the problem and not the solution. As a developer she would work hand-in-hand with the City to find workable solutions and a mid-way point. Ms. Hipp would like to see public facility and parks fees re-reviewed and related to the Measure P process.

Rocke Garcia would like to see a separate committee study this recommendation, or send it back to the Planning Commission to get feedback from developers.

City Manager Tewes stated many issues raised have been dealt with and will be explained at the workshop on June 6th. Measure P is not a proper calculation under the law for computing the impact fees, but is an important issue to developers. This issue was raised by members of the development committee at a previous workshop held at the staff level. The Council may want to revise the Measure P point process. No changes in ordinances are being suggested, except for the calculation of the fees. It is the recommendation to have the new fees established by January 1, 2003.

Council Member Sellers asked whether to go ahead with the June 26th public hearing, or what would happen if future review was requested?

City Manager Tewes stated the recommended approach would be to go ahead with the June 26th public hearing, and Council could adjust the fees or determine whether further review by fee payers was important in determining the ultimate fee to be paid.

Council Member Tate asked how the Planning Commission could get on board with this. City Manager stated he didn't know what roll the Planning Commission would have in the financing of the capital improvement program.

Council Member Sellers recommends Mayor Kennedy and Council Member Chang attend the June 6th workshop, or have the concerns expressed at this meeting relayed to them, so they will be up to speed for the June 26th public hearing.

Action: *On a motion by Mayor Pro Tem Carr and seconded by Council Member Sellers, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Set** June 26, 2002 as a Public Hearing for Consideration of Adjustments to Development Impact Fees; and **Directed** Staff to Target Proposed Fee Adjustments to be Effective January 1, 2003.*

10) ADJUSTMENTS TO PLANNING, BUILDING, ENGINEERING, POLICE, RECREATION, FINANCE, CITY CLERK, AND MISCELLANEOUS UTILITIES FEES

Jack Dilles, Finance Director, presented the staff report. Maximus Consulting Group was hired to conduct this study, which basically represents all the fees collected other than development impact fees and sewer

and water user fees. The last time these fees were adjusted was 1997.

Erin Patton, of Maximus, presented “Cost Recovery Study Findings.” This report addresses four questions: 1) What does it cost the city to provide various fee-related services?, 2) What are current cost recovery levels? 3) What fee changes are necessary to achieve recommended cost recovery levels?, and 4) What changes to current revenues can the city expect if recommended fees are implemented?

Methodology:

This study has two components:

- 1) the identification and distribution of administration overhead costs ; and
- 2) to take an in-depth look at the different operating departments, to determine what different services are and what staff costs are relative to those services

The end result of the methodology was a fee for full-cost of providing various service activities. Compared the full cost to the fee currently charged to identify a subsidy. This gives the city an opportunity to adjust fees.

Council Member Tate stated the City is at a 60% recovery level, which is typical, and the report recommended a 100% recovery. How do you justify this?

Erin Patton stated the cost of user fees services, is the maximum recovery level.. No analysis of recreation fees was done. What has been found it that it’s hard to be aggressive to recover 100% cost recovery. Recreation fees will be set lower, where development related user fees and police fees will recover a higher cost.

City Manager Tewes stated Maximus was not asked to look at whether service levels should be adjusted. They took the existing service levels and determined whether or not costs were being recovered through the fees.

Council Member Sellers stated that based on the report, 59% is an average recovery level. Are there any subcategories where there are any significant variation of this level.

Erin Patton stated the only department that may look different would be the Building Division, which typically in the Bay Area, would have a higher cost recovery level than 59%. The reason the City of Morgan Hill is not enjoying the same high cost recovery level, is because of the use of a 9-year old fee schedule. The proposal is to update to a more recent table.

Jack Dilles stated the proposal is to move from the 1991 Uniform Building Code (UBC) table to the 1997 UBC table. Most cities in this area are using the 1997 table. This table would provide an almost 100% recovery for building services. With engineering and planning, the proposal is a 20% increase, phasing in the rest of the fees.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Set** June 26, 2002 as a Public Hearing*

*for Consideration of Adjustments to Fees, and **Directed** Staff to Target Proposed Fee Adjustments to Be Effective September 1, 2002.*

11) **PROPOSED SPORT FIELDS AND PICNIC AREA FEES AND PRIORITY SCHEDULING PROCESS**

Julie Spier, Recreation Manager, presented the staff report. Maximus did a study and looked at processing sports fields, picnic areas and park reservations. The proposed processing fee is \$17 for field and picnic area requests.

Sports Management Group was asked to review the rental rates for city fields and conducted a study of eight local communities who all charge a fee for renting of sports fields and picnic areas, with six of the communities reporting a tiered fee structure. Staff recommends that the city follow the tiered fee structure as proposed. Staff also recommends that the picnic area fee for Class A and Class B be waived, as these groups will be charged a \$17 processing fee. The Parks and Recreation Commission recommends the rental fee be waived as well.

The Parks and Recreation Commission recommends the 60% Morgan Hill residents be raised to 80% Morgan Hill Residents when categorizing Class A applicants.

Council Member Sellers asked why the usage of lights for sports fields was calculated at a cost per hour. What is being offered when the usage time goes up?

Ms. Spier responded by saying, with the longer time of a specific use, the more wear and tear of the field. The report talks about a participant fee, but staff feels it would be hard to monitor the number of participants for any given activity.

Council Members Sellers and Tate expressed concern with the 80% Morgan Hill resident requirement. They would like to see the percentage lower.

Mayor Pro Tem Carr stated he is uncomfortable with the Park and Recreation Commission's 80% recommendation for Class A. Mr. Carr would like staff to think about the school district levels.

Council Member Tate stated too much time could be taken in calculating where participants live. It wouldn't be cost effective if factoring in staff time. The category should be more flexible.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council on a 3-0-2 vote (Kennedy and Chang absent), **Provided** Staff with Comments; and **Directed** Staff to Return this Item for a Public Hearing on June 26, 2002.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

ADJOURNMENT

There being no further business, Agency Member/Mayor Pro Tem Carr adjourned the meeting at 9:15 p.m.

MINUTES RECORDED AND PREPARED BY

LOIS A. CORBET, Deputy City Clerk